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California Farm News

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California Field Office · P.O. Box 1258 · Sacramento, CA 95812 · (916) 498-5161 · www.nass.usda.gov/ca

Media Contact: Sarah Hoffman, 1-800-851-1127 · February 4, 2010

NEW USDA DATA OFFERS

IN-DEPTH LOOK AT ORGANIC FARMING

SACRAMENTO, CA, February 4, 2010 – The nation's organic farms and ranches have higher average sales and higher average production expenses than U.S. farms overall, according to results of the 2008 Organic Production Survey released today by the U.S. Department of Agriculture's National Agricultural Statistics Service.

"This was USDA's first wide-scale survey of organic producers, and it was undertaken in direct response to the growing interest in organics among consumers, farmers, businesses, policymakers and others," said Agriculture Deputy Secretary Kathleen Merrigan. "The information being released today will be an important building block for future program and policy development."

The survey counted 14,540 U.S. farms and ranches that were either USDA certified organic or were exempt from certification because their sales totaled less than \$5,000. These operations comprised 4.1 million acres of land, of which 1.6 million acres were harvested cropland and 1.8 million acres were pasture or rangeland.

While there were organic farms or ranches in all 50 states, nearly 20 percent of the operations were in California. California also led the nation in organic sales, with \$1.15 billion – or 36 percent of all U.S. sales. Nationwide, 2008 organic sales totaled \$3.16 billion, including \$1.94 billion in crops sales and \$1.22 billion in sales of livestock, poultry and their products.

The nation's certified and exempt organic farms had average sales and production expenses that were higher than those of U.S. farms overall. Organic operations had an average of \$217,675 in sales, compared with \$134,807 for all farms as reported in the 2007 Census of Agriculture. Production expenditures averaged \$171,978 per organic farm, compared with the nationwide average of \$109,359 for all farms.

Most U.S. organic producers sold their products locally, with 44 percent of sales taking place less than 100 miles from the farm. Nearly 83 percent of organic sales were to wholesale channels, including processors, millers and packers. Just over 10 percent of sales were direct to retail operations, including supermarkets. Only 7 percent of sales were direct to consumers, via farm stands, farmers' markets, community supported agriculture and other arrangements.

Survey respondents indicated that they face various challenges, including regulatory, production, management and marketing issues. Despite these challenges, more than 78 percent indicated that they plan to maintain or increase their organic production over the next five years.

You will find complete results of the 2008 Organic Production Survey are available at http://www.agcensus.usda.gov/Publications/2007/Online_Highlights/Organics/.